



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

C. WARREN NEEL, Ph.D.
COMMISSIONER

**FOR IMMEDIATE RELEASE
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October Revenues

Nashville – On an accrual basis October is the third month in the 2002-2003 fiscal year. Department of Revenue tax collections were \$600.2 million. The collections include new revenue collected under the Tax Reform Act of 2002.

October revenues were \$26.2 million less than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had a \$37.1 million undercollection and the four other funds overcollected by \$10.9 million.

Sales tax collections were \$11.4 million less than the estimate. Adjusted for the rate change and the single article cap, the growth in sales tax collections was 1.42% for the month. For three months the adjusted growth is 1.62%.

Franchise and excise taxes combined were a negative \$6.6 million for the month. Collections were \$19.5 million less than the estimate of \$12.9 million. For three months revenues are \$7.9 million undercollected.

Gasoline taxes and motor vehicle registrations were \$13.1 million more than the budgeted estimate of \$80.7 million.

Year-to-date collections for three months are \$15.8 million less than the budgeted estimates for all funds and \$29.7 million less than the general fund estimate.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 102nd General Assembly in June of this year.

<p align="center">REVENUE COLLECTIONS</p> <p align="center">OCTOBER, 2002, AND 3 MONTHS YEAR-TO-DATE</p>
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October Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$505,884,000	\$468,789,000	(\$37,095,000)
Highway Fund	46,657,000	54,404,000	7,747,000
Sinking Fund	19,074,000	19,035,000	(39,000)
City & County Fund	51,353,000	54,688,000	3,335,000
Earmarked Fund	3,392,000	3,273,000	(119,000)
Total	\$626,360,000	\$600,189,000	(\$26,171,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$1,624,869,000	\$1,595,126,000	(\$29,743,000)
Highway Fund	144,902,000	155,040,000	10,138,000
Sinking Fund	56,915,000	56,888,000	(27,000)
City & County Fund	155,033,000	159,606,000	4,573,000
Earmarked Fund	8,436,000	7,707,000	(729,000)
Total	\$1,990,155,000	\$1,974,367,000	(\$15,788,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	October			
	2001	2002	Change	Percent
Franchise & Excise	(\$7,453,000)	(\$6,553,000)	\$900,000	12.08%
Income	3,828,000	997,000	-2,831,000	-73.96%
Inheritance & Estate	13,575,000	5,421,000	-8,154,000	-60.07%
Gasoline	46,533,000	56,178,000	9,645,000	20.73%
Petroleum Special	4,498,000	5,459,000	961,000	21.37%
Tobacco	7,246,000	9,407,000	2,161,000	29.82%
Beer	1,552,000	1,961,000	409,000	26.35%
Motor Vehicle Registration	15,563,000	17,196,000	1,633,000	10.49%
Motor Vehicle Title	915,000	1,071,000	156,000	17.05%
Mixed Drink	2,809,000	2,922,000	113,000	4.02%
Business	435,000	856,000	421,000	96.78%
Privilege	16,937,000	18,626,000	1,689,000	9.97%
Gross Receipts	417,000	111,000	-306,000	-73.38%
TVA - In Lieu of Tax Payments	16,544,000	16,407,000	-137,000	-0.83%
Alcoholic Beverage	2,209,000	2,496,000	287,000	12.99%
Sales and Use	385,618,000	452,548,000	66,930,000	17.36%
Motor Vehicle Fuel	11,740,000	14,898,000	3,158,000	26.90%
Severance	115,000	84,000	-31,000	-26.96%
Coin-operated Amusement	2,000	104,000	102,000	5100.00%
Total	\$523,083,000	\$600,189,000	\$77,106,000	14.74%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - October			
	2001	2002	Change	Percent
Franchise & Excise	\$153,084,000	\$179,955,000	\$26,871,000	17.55%
Income	7,192,000	1,216,000	-5,976,000	-83.09%
Inheritance & Estate	24,652,000	25,361,000	709,000	2.88%
Gasoline	142,887,000	162,327,000	19,440,000	13.61%
Petroleum Special	17,460,000	16,052,000	-1,408,000	-8.06%
Tobacco	21,358,000	26,579,000	5,221,000	24.45%
Beer	4,247,000	4,549,000	302,000	7.11%
Motor Vehicle Registration	46,935,000	48,970,000	2,035,000	4.34%
Motor Vehicle Title	2,690,000	2,923,000	233,000	8.66%
Mixed Drink	8,421,000	9,168,000	747,000	8.87%
Business	1,198,000	1,398,000	200,000	16.69%
Privilege	46,620,000	47,904,000	1,284,000	2.75%
Gross Receipts	13,824,000	10,099,000	-3,725,000	-26.95%
TVA - In Lieu of Tax Payments	50,991,000	50,973,000	-18,000	-0.04%
Alcoholic Beverage	6,832,000	7,594,000	762,000	11.15%
Sales and Use	1,152,929,000	1,337,825,000	184,896,000	16.04%
Motor Vehicle Fuel	33,542,000	40,879,000	7,337,000	21.87%
Severance	317,000	259,000	-58,000	-18.30%
Coin-operated Amusement	9,000	336,000	327,000	3633.33%
Total	\$1,735,188,000	\$1,974,367,000	\$239,179,000	13.78%

Table 3
August - October Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (8,300,000)	\$ (400,000)	\$ (8,700,000)
Income Tax	(2,400,000)	(1,300,000)	(3,700,000)
Inheritance Tax	4,000,000	0	4,000,000
Privilege Tax	(2,200,000)	(700,000)	(2,900,000)
Gasoline & Motor Vehicle Registration	700,000	17,200,000	17,900,000
Other Taxes	<u>(13,600,000)</u>	<u>(900,000)</u>	<u>(14,500,000)</u>
Sub-Total	\$ (21,800,000)	\$ 13,900,000	\$ (7,900,000)
F & E Taxes	<u>(7,900,000)</u>	<u>0</u>	<u>(7,900,000)</u>
Total	<u><u>\$ (29,700,000)</u></u>	<u><u>\$ 13,900,000</u></u>	<u><u>(\$15,800,000)</u></u>